

15-Minute transmission product:

### **Problem statement**

Market participants seeking to conduct intra-hour energy transactions have identified the lack of an intra-hour transmission product as a barrier to expansion of an intra-hour energy market.

Currently in order to complete an intra-hour energy transaction, the participants to a transaction must either purchase an hourly block of transmission or redirect their entire existing hourly block of transmission rights (BPA does not currently allow partial sub-hourly redirects). The cost of purchasing a full hour of transmission service to support a 30-minute (or 15-minute) energy transaction is suppressing development of a liquid intra-hour energy market. Some BPA customers believe that if BPA were to offer a 15-Minute transmission product, then there would be an increased demand for intra-hour energy transactions.

### **Proposal #1:**

BPA should consider offering customers a 15-minute transmission product.

Product Details:

1. 15-minute transmission product
2. Non-Firm
3. Priced at a pro rata fraction of hourly non-firm rate
4. No changes to existing scheduling timelines (up to customer to submit transmission service request and get approval in time to meet scheduling timelines)
5. OATT product; FERC filing would be required

### **Proposal #2:**

“Split Reservation Redirects”

Allow customers more flexible use of their existing transmission rights. Loads and resources in NW have existing transmission rights. Why should they need to buy additional reservations to support intra-hour schedules when their existing rights are not fully utilized?

Currently, customers who submit a schedule using only a portion of the full quantity of a transmission service request can only increase or decrease the schedule on an intra-hour basis.

BPA should consider allowing customers who have not scheduled the full quantity of their transmission rights to “split” the reservation and redirect the previously unused quantity on an intra-hour basis.

### **Examples:**

1. A load-serving customer determines that demand is increasing faster than forecast and identifies a need for an additional 25 MW of generation in the last 30 minutes of an hour. Customer could purchase a 30 minute block of energy - but would have to purchase transmission for the full hour. Alternatively, customer could start its 50 MW generator - but customer would then have a 25 MW surplus; selling that surplus would require customer to purchase an hour of transmission.
2. A load serving customer signs up for a 30-minute committed scheduling option. Customer modifies the schedule from its wind project but seeks to sell surpluses and purchase deficits in an intra-hour energy market. The customer purchases intra-hour transmission to facilitate those transactions instead of needing to purchase an entire hour of transmission for the transactions.

### **Benefits:**

Removes barriers to wind project participation in committed scheduling programs (which would reduce wind projects' reliance on balancing reserves from BPA)

Removes barriers to development of a liquid sub-hourly energy market

Provides customers with greater flexibility in transactions to serve load or sell surpluses

Additional transmission revenue for BPA?